

# GIFTS

## Gifts From Outside Sources

**Rule:** You may not accept a gift given:

- Because of your **official position**, or
- By a **prohibited source**

Regardless of any exceptions that allow accepting gifts, it is **always impermissible** to:

- Accept a gift in return for being influenced in the performance of an official act. This is a bribe!
- Solicit or coerce the offering of a gift
- Accept gifts from the same or different sources so frequently that a reasonable person would think you're using your office for private gain
- Accept a gift in violation of a statute

## What's a Prohibited Source?

A prohibited source is any person who is, or any organization a majority of whose members are:

- Seeking official action by DoD
- Doing or seeking to do business with DoD
- Regulated by DoD, or
- Substantially affected by the performance of your official duties

## What's a Gift?

Anything of monetary value.

**Patty, a DoD employee, meets informally every week with representatives of defense contractors, who customarily treat her to a small breakfast. Although an exception might permit acceptance of these small breakfasts, Patty's recurring practice of accepting them is improper.**

**Joe, a Computer.Com representative, is seeking to do business with DoD. He invites members of the acquisition dept. to a golf tournament, which his company will pay for. DoD acquisitions personnel cannot accept the gift of free golf greens fees unless an exception to the gift rule applies, because Computer.Com, by seeking to do business with DoD, is a prohibited source.**

## **What's Not a Gift?**

Here are examples of items that are not defined as "gifts":

- Modest items of food and refreshments (like coffee and donuts) when not served as a meal
- Prizes in contests open to the public
- Greeting cards and items with little intrinsic value, such as plaques, certificates, and trophies, intended only for presentation
- Commercial discounts available to the public or to all Government civilian or military personnel
- Anything the Government acquires by contract or otherwise legally accepts
- Anything for which you pay market value

## **Gifts That You May Keep**

Remember, you don't have to accept a gift. It may be smart, depending on the circumstances, to decline a gift, even when it is allowed by the exceptions below.

- Gifts valued at \$20 or less, **but**
  - not cash or investment interests
  - not more than \$50 in total from one source in a year
- Gifts motivated by personal relationships
- Certain discounts and similar benefits offered
  - by professional organizations
  - to groups unrelated to Government employment (such as AARP)
  - to groups in which membership is related to Government employment, if the same benefits are available to other, similar organizations. (e.g.: discounted loans to Gov't. credit union members.)
  - by a *non*-prohibited source to any group as long as not discriminatory on basis of rank, type of responsibility, or pay.
- Gifts resulting from your or your spouse's outside business activities

**You may accept cups of coffee offered by a contractor at no charge.**

**If you enter your business card in a drawing sponsored by a DoD contractor that is open to the public, you may keep the prize.**

**On each of his quarterly visits, a sales representative of Overpriced Computers Inc. gave Bonnie, a DoD employee, a company T-shirt, valued at \$10 each. During that period, Bonnie's brother Steve, who also works for Overpriced Computers Inc., purchased for her a birthday present valued at \$60. Bonnie may keep all of the gifts given to her. The T-shirts don't exceed the \$50 annual limit from one source, and the gift from her brother Steve is the result of a personal, not business, relationship.**

**Tom was offered two tickets valued at \$30 a piece to a baseball game from an employee of a defense contractor. Since the price of each ticket exceeds the \$20 limit, Tom may only accept the tickets if he pays the contractor \$60, the full market value of the tickets. (Paying only \$40 is not permissible.)**

- Free attendance provided by a state, local government, or tax exempt civic organization when there is a community relations interest
- Gifts accepted under specific statutory authority, such as certain gifts from a foreign government
- Certain educational scholarships and grants (consult a DoD ethics official)
- Free attendance, food, and entertainment (not travel) *when provided by a sponsor*:
  - of an event on the day that you are speaking or presenting information, **or**
  - of a widely attended gathering, provided that your supervisor determines that your attendance is in the agency's interest. (If the sponsor has interests that may be affected by you, an additional conflict of interest determination is required.)
- Free attendance, food, and entertainment (not travel) *provided by a person other than the sponsor* of a widely attended gathering, if:
  - the market value of the gift of free attendance is \$285 or less and more than 100 persons are expected to attend, **and**
  - your supervisor determines that your attendance is in the agency's interest. (If the person has interests that may be affected by the employee, an additional conflict of interest determination is required.)
- Meals, lodging, transportation, and other benefits in connection with employment discussions
- Awards for meritorious public service or achievement, and honorary degrees – see your ethics counselor
- Travel benefits and free attendance from political organizations in connection with certain political activities
- Food and entertainment (not travel and lodging), at social events, if: (1) the invitation is not from a prohibited source, **and** (2) the event is free to all attendees.

**On account of his DoD position, an arms trade association invites Jared, a DoD officer, to an industry-wide, one-day seminar sponsored by the association, a \$200 value. He is also invited to dinner, which costs \$100, at a restaurant after the seminar with several industry executives. Jared may accept the seminar invitation, provided that his supervisor determines that his attendance furthers DoD's interests. Jared may not accept the free dinner invitation, which is not part of the seminar and is closed to other interested participants.**

**An annual dinner is held by a veterans' service organization that costs \$125 per person. Representatives from veterans' groups, Congress, and the media will attend. Several DoD employees are given free tickets by Big Guns, Inc. At the dinner, a veteran will be honored. Since it is a widely attended gathering, the DoD employee may be able to accept the free tickets if his or her ethics official determines more than 100 persons are expected to attend the event, and there is an agency interest in the DoD employee's attendance.**

- Gifts of food and entertainment (not to exceed the per diem rate) at meetings or events attended in an official capacity in foreign areas, when (1) *not* provided by a foreign government **and** (2) non-U.S. citizens participate in the meeting or event

### **Foreign Gifts**

**Rule:** Federal employees may accept gifts from foreign governments if the gift is below the “minimal value” which, in October 2002, is \$285. Check with your ethics counselor about appraising the gift or what the current threshold is.

### **Disposition of Improper Gifts**

**Rule:** If you are offered a gift that you cannot accept, you should:

- Decline the gift
- Return the gift, **or**
- Pay the donor the gift’s market value

### **Subsequent reciprocity is not a solution**

#### **Gifts Between Employees**

**Rule:** You may not accept a gift from an employee who earns less than you (unless you have a personal relationship with the employee, and you are not in the chain of command)

**Rule:** You may not give, make a donation toward, or solicit a gift for someone superior to you in the chain of command.

#### **Exceptions to the Rule**

1. On an occasional basis, such as holidays or birthdays, you may give to a superior or receive from a subordinate:
- Non-monetary gifts of up to \$10

**Bill asks his 4 coworkers each to pitch in \$20 to purchase a \$100 golf putter for Doreen, their boss, for Christmas. Doreen invites the office to a New Year’s party, serving meals valued at \$25. Bill brings a \$20 bottle of wine.**

- **Bill may not solicit, and he and his coworkers may not give, their boss a group gift or individual gifts at Christmas that exceed \$10.**
- **The dinner and the wine are both appropriate.**

- Personal hospitality provided at a residence (or an appropriate host/hostess gift),
  - Food or refreshments shared in the office
2. On special, infrequent occasions,
- of personal significance, such as marriage, illness, or birth or adoption of a child
  - that terminate the chain of command, such as retirement, resignation, or transfer
- you may
- solicit voluntary contributions up to \$10/person for a group gift
  - give an appropriate gift to a superior
  - accept appropriate gifts and group gifts that do not exceed \$300 from subordinates (See your ethics counselor for exceptions.)

**Under certain circumstances, perishable items may be:**

- donated to charity
  - destroyed
  - shared within the office
- (check with your ethics official)**

**Doreen decides to retire. Bill, who works for Doreen, gives her a \$20 book and again solicits for a going-away gift. He would like to get her a golf-related desk set that costs about \$50.**

- **Bill may give the \$20 book, as it is an appropriate gift**
- **Bill may also solicit for a gift and contribute toward the group gift**
- **Bill has learned his lesson and does not suggest an amount to contribute**